



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Conduct a Public Hearing to consider and approve community input and proposals for uses of the City's 2008/09 Federal allocation of Community Development Block Grant (CDBG) and HOME Program Funds and the reallocation of available funds from previous program years.

MEETING DATE: March 5, 2008

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Conduct a public hearing to consider and approve community input and proposals for potential uses of the City's 2008/09 Federal allocation of CDBG and HOME Program funds and the reallocation of available funds from previous program years.

BACKGROUND INFORMATION: Annually, the City receives an allocation of CDBG and HOME funds through San Joaquin County, which receives an allocation from the US Department of Housing and Urban Development.

CDBG funds can be used for a wide range of community development projects as long as they meet a national objective. The national objectives are 1) to address the needs of low- to moderate-income persons, 2) to eliminate slum or blighted conditions, and 3) to resolve an urgent need. HOME funds are reserved for housing and housing-related activities, such as rehabilitation and new construction. Activities undertaken with HOME funds also must meet the needs of low- to moderate-income persons.

Funding Allocations

The City will receive \$692,597 in CDBG funds and \$253,041 in HOME funds from the Federal government for the coming fiscal year. This represents an approximately 3.5 percent reduction in both CDBG and HOME funds as compared to 2007/08 allocations.

To supplement the 2008/09 CDBG allocation from HUD, an additional \$86,504 in CDBG funds is available for reallocation from the following projects or services from previous years:

• 03-05 City of Lodi Transit Passes	\$14,147.44
• 03-06 LUSD ADA Playgrounds	\$19,730.22
• 05-03 Lodi Cat Connection	\$ 3,606.78
• 05-05 Parks - Local Park Playground Rehab	\$ 2,201.24
• 06-03 Lodi Cat Connection	\$ 5,000.00
• 06-05 Parks - Enze Pool Deck Resurfacing	\$25,037.95
• 06-08 Lodi Library Adult Literacy	\$ 304.41
• 06-13 Stockton Emergency Food Bank	\$ 6,476.62
• 07-07 Boys and Girls Club Improvements	<u>\$10,000.00</u>
	\$86,504.66

APPROVED: _____
Blair King, City Manager

Additionally, there is \$89,875 in HOME funds eligible for reallocation, due to the fact that the San Joaquin Housing Authority project received another source of funding.

The total HOME funding available for 2008/09 is \$342,916. The total CDBG funding available is \$779,101.

Funding and Application Process

The process for allocating the 2008/09 CDBG/HOME funding has followed the following timeline:

- | | |
|---------------------------|---|
| • December 4, 2007 | Public meeting held to open application period |
| • December 19, 2008 | Council meeting on funding breakdown |
| • January 16, 2008 | Application deadline |
| • Jan. 17 - Feb. 22, 2008 | Staff review of applications |
| • February 20, 2008 | Council meeting on ranking criteria for applications |
| • February 22, 2008 | Review applications and recommendations with City Manager |
| • March 5, 2008 | Conduct public hearing |
| • March 6, 2008 | Submit Council authorized funding recommendations to County |

During the application period that ran from December 4 to January 16, the City received 11 applications for CDBG funds from community-based organizations, for a total request of \$830,566. No applications were received for activities eligible for HOME funds.

Our review of the applications centered on the new rating criteria, which was presented to the Council at the February 12 shirtsleeve session and February 20 Council meeting. The rating criteria focus on the following areas:

- *Activity Need and Justification.* Activities were evaluated on their ability to address a significant community need and their benefit to very low-income persons.
- *Readiness to Proceed.* Programs and projects were evaluated based on their feasibility of implementation, overall and within the allotted time frame.
- *Cost Reasonableness and Effectiveness.* Budgets were reviewed to determine completeness and reasonableness of all costs related to the request for CDBG funding. Organizations applying for service funding were also evaluated on their ability to become self-sustaining.
- *Activity Management and Implementation.* Applicants were evaluated on experience, administrative capacity, and financial management.
- *Past Performance.* Applicants previously receiving CDBG funds from the City will be evaluated on their reporting and timely expenditure of funds.
- *Matching Contributions.* Consideration was given to the amount of non-CDBG/HOME funds committed to the project.

CDBG Funding Recommendations

For planning and administrative activities, an allocation of \$96,963 (14 percent of the CDBG 2008/09 allocation) is recommended to cover the costs of managing the CDBG and HOME Programs.

Remaining funding recommendations are grouped into the following categories: City projects, community-based organization (CBO) projects, and CBO service programs. Funding recommendations for these three categories are listed below, with additional detail on applicants and recommendations in Exhibit A (Summary of 2008/09 Applications Received) and Exhibit B (City CDBG Projects – Three-Year Projection).

CITY PROJECTS (\$409,283)

- Blakely Park - North Pool Deck Resurfacing (\$98,000)
- Demolition of 17 East Elm Street (\$95,000)
- Lodi Library - ADA Entrance Improvements (\$86,558)
- Graffiti Abatement (\$79,725)
- Economic Development Revolving Loan Fund (\$50,000)

CBO SERVICE PROGRAMS (\$32,622)

- San Joaquin Fair Housing – Fair Housing Services (\$22,622)
- Second Harvest Food Bank - Food Assistance Programs (\$10,000)

CBO CAPITAL PROJECTS (\$240,233)

- Community-Based Organization Mid-Year Grants (\$147,173)
- Salvation Army - Walk-In Cooler/Freezer Replacement (\$45,000)
- Salvation Army - Hope Avenue Apartments ADA Improvements (\$41,000)
- Emergency Food Bank – Facility Expansion (\$7,060)

Because two of the largest CBO applications for capital funds are not ready to proceed, there were not an adequate number of activities to meet the 40 percent allocation to CBO projects approved by the Council on December 19. Staff's recommendation is to create the Community-Based Organization Mid-Year Grants activity, which will allow the City to solicit additional applicants and/or help current applicants rework their projects. As an alternative, the Council could allocate the \$147,173 to City projects.

HOME Funding Recommendations

As no eligible requests for the HOME funds were received, all of the HOME funds (\$342,916) will be allocated to our existing Housing Assistance Program, which provides down-payment assistance loans to low- and moderate-income persons throughout the City.

FISCAL IMPACT:

CDBG are federal funds. Capital improvements allow for maintenance costs to be reduced. Administration costs are paid via a 14% set-aside of the grant funds.

FUNDING AVAILABLE:

2008/09 Community Development Block Grant

Kirk Evans, Budget Manager

Randy Hatch
Community Development Director

Attachments

cc: City Attorney's Office
SJC Community Development

2008/09 CDBG Applications Received and Funding Recommendations

Community-Based Organization Service Programs

Project - Organization	Project Description	Ranking	Fund Request	Rec. Funding	Recommendations
Fair Housing Services San Joaquin Fair Housing	Provide required fair housing services, including telephone hotline for tenants and landlords and investigation of complaints.	Required	\$22,622	\$22,622	Fund at \$22,622 because this is the City's proportionate share of fair housing expenses.
Food Distribution Programs Second Harvest Food Bank	Provide support for the administration of the Food Assistance, Senior Brown Bag, and Food 4 Thought Programs.	95	\$10,000	\$10,000	Fund at \$10,000 because they are expanding their programs and leverage significant funds and food donations.
Adult Day Care Senior Service Agency of SJC	Provide staffing support and supplies to the Adult Day Health Care programs, which serve adults with mental and/or physical disabilities.	83	\$893	\$0	Not recommended because the administrative cost would exceed the grant amount, and the program plans to serve only 3 Lodi residents.
Senior Nutrition Services Senior Service Agency of SJC	Provide nutritious home-delivered meals, or meals at a congregate site, to Lodi seniors five days per week.	82	\$16,125	\$0	Not recommended because CDBG funding will not result in a program expansion, and would require funding commitments from other jurisdictions.
Nutrition on the Move Emergency Food Bank of Greater Stockton	Provide an educational nutrition program to encourage healthy eating and an active lifestyle for lower-income households.	74	\$4,500	\$0	Not recommended because the program depends on regional funding, but is not being recommended for funding by SJC or Stockton.
Foster Child Counseling VBR Foundation	Provide a counseling program for children recently placed in foster care, including individual and group counseling.	48	\$10,000	\$0	Not recommended because of concerns about agency's administrative capacity, ability to expend funds in a timely manner, and lack of leveraged funds.

City CDBG Projects: Three-Year Projection

Projects	Department	Required Funding	2008/09	2009/10	2010/11
			Actual \$409,283	Estimated \$360,000	Estimated \$360,000
ADA Curb Ramps	Public Works	\$250,000	-	-	-
Alley Drainage Improvements	Public Works	\$225,000	-	\$225,000	-
Demolition of 17 E. Elm Street	Public Works	\$95,000	\$95,000	-	-
Graffiti Abatement	Public Works	\$239,175	\$79,725	\$79,725	\$79,725
Blakely Park - North Pool Deck Resurfacing	Parks & Recreation	\$98,000	\$98,000	-	-
Blakely Park - Pool Restroom ADA	Parks & Recreation	\$200,000	-	-	-
Blakely Park Playground Surface Replacement	Parks & Recreation	\$85,000	-	-	-
Van Buskirk Playground Replacement	Parks & Recreation	\$165,000	-	-	\$165,000
Lodi Lake North Playground Replacement	Parks & Recreation	\$280,000	-	-	-
Grape Bowl Accessibility Improvements	Parks & Recreation	\$150,000	-	-	\$115,275
Library ADA Improvements	Library	\$250,000	\$86,558	-	-
Economic Development - Revolving Loan Fund	City Manager	\$100,000	\$50,000	\$55,275	-

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE
PROJECTED USE OF FUNDS FOR THE 2008-09 FEDERAL ALLOCATION
OF COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAM
FUNDS, AND FURTHER REALLOCATING AVAILABLE FUNDS FROM
PREVIOUS PROGRAM YEARS

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WHEREAS, the Department of Housing and Urban Development has determined that the City of Lodi, California, is entitled to Community Development Block Grant (CDBG) and HOME funding as a participating city through the County of San Joaquin and Urban County for fiscal year 2008-09 Federal allocation; and

WHEREAS, the City Council of the City of Lodi has been made aware of the amount of the CDBG and HOME funds available for the 2008-09 Federal allocation of fiscal program year being approximately \$692,597 and \$253,041, respectively; and

WHEREAS, the City of Lodi has held, with proper notification, a public hearing at the City Council meeting of March 5, 2008, to receive comments and proposals from the public regarding the projected use of CDBG and HOME funds and provided the public with adequate information concerning the amount of funds available for community development activities, the range of eligible activities, and other important requirements; and

WHEREAS, the City of Lodi, California, has received public input regarding the proposed use of CDBG and HOME funds; and

WHEREAS, the City Council of the City of Lodi has been made aware of the need to reallocate unused CDBG and HOME funds from previous years to facilitate the expedited use of those funds; and

WHEREAS, staff therefore recommends the reallocation of \$86,504 of unused available CDBG and \$89,875 in HOME funds from previous program years to supplement the 2008-09 funding and reduce the balance of unused funds, as shown as follows:

Sources of Reallocated CDBG Funds

Project 03-05	City of Lodi Transit Passes	\$14,147.44
Project 03-06	LUSD ADA Playgrounds	\$19,730.22
Project 05-03	Lodi Cat Connection	\$ 3,606.78
Project 05-05	Parks – Local Park Playground Rehab.	\$ 2,201.24
Project 06-03	Lodi Cat Connection	\$ 5,000.00
Project 06-05	Parks – Enze Pool Deck Resurfacing	\$25,037.95
Project 06-08	Lodi Library Adult Literacy	\$ 304.41
Project 06-13	Stockton Emergency Food Bank	\$ 6,476.62
Project 07-07	Boys and Girls Club Improvements	<u>\$10,000.00</u>
		\$86,504.66

Sources of Reallocated HOME Funds

SJC Housing Authority	<u>\$89,875.00</u>
	\$89,875.00

WHEREAS, staff therefore recommends the allocation of 2008-09 CDBG and HOME funds to projects as outlined below.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby approve the recommended 2008-09 Federal allocations of CDBG funds to the projects recommended by staff in the amount of \$779,101, as shown as follows:

2008-09 CDBG Program Funding (including reallocated funds) – \$779,101

Program Administration – (\$96,963)

- Program Administration \$ 96,963.00

City Projects – (\$409,283)

- Blakely Park – North Pool Deck Resurfacing \$ 98,000.00
- Demolition of 17 East Elm Street \$ 95,000.00
- Lodi Library – ADA Entrance Improvements \$ 86,558.00
- Graffiti Abatement \$ 79,725.00
- Economic Development Revolving Loan Fund \$ 50,000.00

Community Based Organization Service Programs – (\$32,622)

- San Joaquin Fair Housing – Fair Housing Services \$ 22,622.00
- Second Harvest Food Bank – Food Assistance Programs \$ 10,000.00

Community Based Organization Capital Projects – (\$240,233)

- Community Based Organization Mid-Year Grants \$147,173.00
- Salvation Army – Walk-In Cooler/Freezer Replacement \$ 45,000.00
- Salvation Army – Hope Avenue Apartments ADA Improvements \$ 41,000.00
- Emergency Food Bank – Facility Expansion \$ 7,060.00

Total Distribution of 2008-09 CDBG Allocation \$779,101.00

BE IT FURTHER RESOLVED that the City Council of the City of Lodi does hereby approve the recommended 2008-09 Federal allocations of HOME funds to the projects recommended by staff in the amount of \$342,916, as shown as follows:

2008-09 HOME Program Funding (including reallocated funds) – \$342,916

Housing Assistance Program – (342,916.00)

- Down Payment Assistance Program \$342,916.00

Total Distribution of 2008-09 HOME Allocation \$342,916.00

Dated: March 5, 2008

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I hereby certify that Resolution No. 2008-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 5, 2008, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____



***Please immediately confirm receipt
of this fax by calling 333-6702***

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

**SUBJECT: PUBLIC HEARING TO CONSIDER AND APPROVE COMMUNITY INPUT
AND PROPOSALS FOR USES OF THE CITY'S 2008-09 FEDERAL
ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT AND
HOME PROGRAM FUNDS AND THE REALLOCATION OF AVAILABLE
FUNDS FROM PREVIOUS PROGRAM YEARS**

PUBLISH DATE: SATURDAY, FEBRUARY 23, 2008

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: RANDI JOHL, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, FEBRUARY 21, 2008

**ORDERED BY: RANDI JOHL
CITY CLERK**


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Faxed to the Sentinel at 369-1084 at 2:45 pm (time) on 2/21/08 (date) 2 (pages)
Phoned to confirm receipt of all pages at _____ (time) _____ CM _____ JMP (initials)



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER AND APPROVE COMMUNITY INPUT AND PROPOSALS FOR USES OF THE CITY'S 2008-09 FEDERAL ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAM FUNDS AND THE REALLOCATION OF AVAILABLE FUNDS FROM PREVIOUS PROGRAM YEARS

On Friday, February 22, 2008, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider and approve community input and proposals for uses of the City's 2008-09 Federal allocation of Community Development Block Grant and HOME Program funds and the reallocation of available funds from previous program years (attached and marked as Exhibit A) was posted at the following locations:


Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 22, 2008, at Lodi, California.

ORDERED BY:

RANDI JOHL
CITY CLERK


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

ADMINISTRATIVE CLERK



DECLARATION OF MAILING

PUBLIC HEARING TO CONSIDER AND APPROVE COMMUNITY INPUT AND PROPOSALS FOR USES OF THE CITY'S 2008-09 FEDERAL ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAM FUNDS AND THE REALLOCATION OF AVAILABLE FUNDS FROM PREVIOUS PROGRAM YEARS

On Friday, February 22, 2008, in the City of Lodi, San Joaquin County, California, I deposited in the United States mail, envelopes with first-class postage prepaid thereon, containing a Notice of Public Hearing to consider and approve community input and proposals for uses of the City's 2008-09 Federal allocation of Community Development Block Grant and HOME Program funds and the reallocation of available funds from previous program years, attached hereto marked Exhibit A. The mailing list for said matter is attached hereto marked Exhibit B.


There is a regular daily communication by mail between the City of Lodi, California, and the places to which said envelopes were addressed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 22, 2008, at Lodi, California.

ORDERED BY:

RANDI JOHL
CITY CLERK, CITY OF LODI


JENNIFER M. PERRIN, CMC
DEPUTY CITY CLERK

ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: March 5, 2008

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on **Wednesday, March 5, 2008**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) Consider and approve community input and proposals for uses of the City's 2008-09 Federal allocation of Community Development Block Grant and HOME Program funds and the reallocation of available funds from previous program years.

Information regarding this item may be obtained in the Community Development Department, 221 West Pine Street, Lodi, (209) 333-6711. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 W. Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

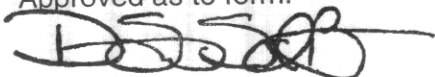
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk at, or prior to, the public hearing.

By Order of the Lodi City Council:


Randi Johl
City Clerk

Dated: February 20, 2008

Approved as to form:



D. Stephen Schwabauer
City Attorney

EXHIBIT B

PUBLIC HEARING TO CONSIDER AND APPROVE COMMUNITY INPUT AND PROPOSALS FOR USES OF THE CITY'S 2008-09 FEDERAL ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAM FUNDS AND THE REALLOCATION OF AVAILABLE FUNDS FROM PREVIOUS PROGRAM YEARS

Mailing List

Robina Ashgar, Executive Director
Community Partnership for Families of San Joaquin County
P.O. Box 1569
Stockton, CA 95201

Tim Viall, Executive Director
Emergency Food Bank
7 W. Scotts Avenue
Stockton, CA 95203

Ted Van Alen, Business Administrator
The Salvation Army, Lodi Corps
P.O. Box 1388
Lodi, CA 95241

Wendy Moore, Deputy Director
San Joaquin County Human Services Agency
P.O. Box 201056
Stockton, CA 95201-3066

Paul Rengh, Executive Director
Second Harvest Food Bank
704 E. Industrial Park Drive
Manteca, CA 95337

Jonathan Quinn, Development Administrator
Senior Service Agency of San Joaquin County
224 S. Sutter Street
Stockton, CA 95203